

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF SHARDA HUNGARY Kft.**

#### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying standalone financial statements of SHARDA HUNGARY Kft. (the "Company"), which comprise the Balance Sheet as at 31.03.2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the -Act-) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31.03.2022 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA.'s) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We

believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibilities for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the

assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error. As fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (I) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. And to communicate with them all

relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

- 1) As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31.03.2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31.03.2022 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure "A". Our report expresses unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations (as applicable) on its financial positioning its standalone financial statements.
  - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e), as provided under (a) and (h) above, contain any material misstatement.

- 2) As required by the Companies (Auditor's Report) Order, 2020(the "Order") issued by the Central Government in terms of Section 143(11)of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For V.K.BESWAL & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
ICAI Firm Regn No-101083W

Digitally signed by Kunal  
Vinodkumar Beswal

**CA Kunal Vinod Beswal**  
[PARTNER]  
M.NO. 131054  
PLACE: MUMBAI

DATED: 19.04.2022  
UDIN: 22131054AHNNGI2127

## **ANNEXURE “ A “ TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of SHARDA HUNGARY Kft.. of even date)**

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub section 3 of Section 143 of the Companies Act, 2013 (the "Act")**

We have audited the internal financial controls over financial reporting of **SHARDA HUNGARY Kft.** (the "Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical



requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

### **For V.K.BESWAL & ASSOCIATES**

CHARTERED ACCOUNTANTS

ICAI Firm Regn No-101083W

Digitally signed by Kunal

Vinodkumar Beswal

**CA Kunal Vinod Beswal**

[PARTNER]

M.NO. 131054

PLACE: MUMBAI

DATED: 19.04.2022

UDIN: 22131054AHNNGI2127

**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SHARDA HUNGARY Kft. of even date)**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets
  - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
  - (b) The Company has maintained proper records showing full particulars of intangible Assets.
  - (c) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (d) The company does have any immovable properties as on the date of the balance sheet, hence reporting to that extent is not applicable. Plant and Equipment are held the name of the Company as at the balance sheet date
  - (e) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
  - (f) No proceedings have been initiated during the year or are pending against the Company as at 31.03.2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) -The inventory of the company has been physically verified by the management at reasonable intervals

- In our opinion, and as informed by the management there is no discrepancies of 10% or more in the aggregate for each class of inventory and according to the information and explanation given to us, the company has maintained proper records of inventories.
- The coverage and procedures adopted by the management for the verification of the inventory is found to be appropriate.

(b) The Company has not been sanctioned any working capital at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(i)(b) of the Order is not applicable.

- iii. The Company has investments in, companies, firms, limited liability partnerships and has granted unsecured loans to other parties, during the year if any/wherever applicable. The terms of these being made not prejudicial to the interest of the company and appropriate procedures are employed by the management wherever required. The repayment of principal wherever applicable are within stipulated time.
- iv. The Company has given any loans or guarantees and complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, if any and wherever applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
  - (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, as applicable to them in the respective country.
  - (b) There were no undisputed amounts payable in respect of statutory dues, as applicable to them in the respective country in arrears as at 31.03.2022 for a period of more than six months from the date they became payable.


- (c) Since there are no statutory dues outstanding which are disputed as on 31.03.2022, this point is not applicable.
  
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. (43 of 1961).
  
- ix. Please note as follows:
  - a. The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
  - b. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
  - c. The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
  - d. The Company has not raised any funds on short/long term basis. Hence reporting under this clause is not applicable.
  - e. On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
  - f. The Company has not raised any loans during the year and hence reporting on clause 3(ix)(d) of the Order is not applicable.
  
- x. Please note as under:
  - a. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
  
  - b. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
  
- xi. Please note as under:

- a. No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
  - b. No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT- 4 as prescribed under rule 11 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
  - c. We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures,
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-1A of the Reserve Bank of India Act. 1934. Hence, reporting under clause 3(xvi)(a),(b) and (c) of the Order is not applicable.

- (d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) The provision for contribution towards Corporate Social Responsibility (CSR) are not applicable to the company, hence reporting under this clause is not applicable.

**For V.K.BESWAL & ASSOCIATES**

CHARTERED ACCOUNTANTS  
ICAI Firm Regn No-101083W

Digitally signed by Kunal Vinodkumar  
Beswal 

**CA Kunal Vinod Beswal**  
[PARTNER]  
M.NO. 131054  
PLACE: MUMBAI

DATED: 19.04.2022

UDIN: 22131054AHNNGI2127

## SHARDA HUNGARY Kft.

**BALANCE SHEET AS AT 31ST MARCH 2022**

(Amount in INR)

Particulars	Note No	As at 31-Mar-22	As at 31-Mar-21
<b><u>ASSETS</u></b>			
<b><u>Current assets</u></b>			
Inventories	3	308,151	4,111,923
<b><u>Financial assets</u></b>			
Trade Receivables	4	692,373,925	921,277,142
Cash & cash equivalents	5	5,493,962	49,753,173
Other Current Assets	6	1,533,004	-
<b>Total current assets</b>		<b>699,400,891</b>	<b>971,030,315</b>
<b>Total assets</b>		<b>699,709,042</b>	<b>975,142,238</b>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><u>Equity</u></b>			
Equity share capital	7	723,085	723,085
Other equity			
Retained earnings	8	64,193,740	70,771,666
Other reserves	8	(5,175,975)	(2,649,488)
<b>Total equity</b>		<b>59,740,850</b>	<b>68,845,263</b>
<b><u>Current liabilities</u></b>			
<b><u>Financial liabilities</u></b>			
Trade Payables	9	623,092,414	882,271,060
Other Current liabilities	10	16,500,922	21,570,667
Current tax liabilities	11	374,856	2,455,248
<b>Total current liabilities</b>		<b>639,968,192</b>	<b>906,296,975</b>
<b>Total equity and liabilities</b>		<b>699,709,042</b>	<b>975,142,238</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For V.K.BESWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. 101083W

Digitally signed by Kunal  
Vinodkumar Beswal

KUNAL V. BESWAL  
[PARTNER]  
Membership Number - 131054  
PLACE : MUMBAI  
Date: 19.04.2022

For and on behalf of the Board of Directors of  
SHARDA HUNGARY Kft.

Digitally signed by BUBNA RAMPRAKASH VILASRAJ  
DN: c=IN, st=Maharashtra,  
2.5.4.20=620d4aa332ab13ff1f6c2007fae96de529e08e25f41a1  
43e593aa9144447, postalCode=400050, street=501, PLEASANT  
PARK, 24TH ROAD, BANDRA WEST,  
serialNumber=87a216501324105ac28556619d822cc05b4a96ba6  
928c34ad031c833adbe60, o=Personal, cn=BUBNA  
RAMPRAKASH VILASRAJ,  
pseudonym=2bac740c3f00dd782eb539d374ec698e

R. V. Bubna  
[Director]



## SHARDA HUNGARY Kft.

**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2022**

(Amount in INR)

Particulars	Note No	Year ended 31-Mar-22	Year ended 31-Mar-21
Revenue from Operations	12	1,609,891,736	1,336,552,842
Other Income	13	205	439
<b>Total income</b>		<b>1,609,891,941</b>	<b>1,336,553,281</b>
<b>Expenses</b>			
Purchase of traded goods	14	1,479,493,861	1,218,380,153
(Increase)/ decrease in inventories	15	3,790,268	7,895,749
Finance costs	16	14,867	7,603
Foreign Exchange (gain)/loss		611,290	632,428
Other expenses	17	132,559,581	93,502,065
<b>Total expenses</b>		<b>1,616,469,867</b>	<b>1,320,417,998</b>
<b>Profit before tax</b>		<b>(6,577,926)</b>	<b>16,135,283</b>
<b>Tax expenses</b>			
Current tax	18	-	1,452,175
<b>Total Tax expense</b>		<b>-</b>	<b>1,452,175</b>
<b>Profit for the year</b>		<b>(6,577,926)</b>	<b>14,683,108</b>
<b>Other Comprehensive income</b>			
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</b>			
Exchange differences on translation of foreign operations		(2,526,487)	1,592,455
<b>Other comprehensive income for the year, net of tax</b>		<b>(2,526,487)</b>	<b>1,592,455</b>
<b>Total comprehensive income for the year</b>		<b>(9,104,413)</b>	<b>16,275,563</b>
<b>Earning per equity share</b>			
Equity share of par value of HUF 3,000,000 each			
Basic & Diluted		<b>(6,577,926)</b>	<b>14,683,108</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For V.K.BESWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. 101083W

Digitally signed by Kunal  
Vinodkumar Beswal

KUNAL V. BESWAL  
[PARTNER]  
Membership Number - 131054  
PLACE : MUMBAI  
Date: 19.04.2022

For and on behalf of the Board of Directors of  
SHARDA HUNGARY Kft.

Digitally signed by BUBNA RAMPRAKASH VILASRAI  
DN: c=IN, st=Maharashtra,  
2.5.4.201e0004aa3322b13f16c20075e96de52909be25f1a14  
3a593a9f1444c7, postalCode=400050, street=501, PLEASANT  
PARK, 24TH ROAD, BANDRA WEST,  
serialNumber=87a216501324105ac28556619822cc05b4a90ba9  
2f834ad931c833a3baf60, o=Personal, cn=BUBNA RAMPRAKASH  
VILASRAI, pseudonym=2bac79cc700067762a003361314ec09e

R. V. Bubna  
[Director]

## SHARDA HUNGARY Kft.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

(Amount in INR)

Particulars	Equity Share Capital	Reserves & Surplus	Items of other comprehensive income	Total equity
		Retained earnings	Foreign Currency translation reserve	
As on 01 April 2020	723,085	56,088,558	(4,241,943)	52,569,700
Net Profit for the period		14,683,108	-	14,683,108
Other comprehensive income		-	1,592,455	1,592,455
<b>Total Comprehensive Income</b>		<b>14,683,108</b>	<b>1,592,455</b>	<b>16,275,563</b>
As on 31 March 2021	723,085	70,771,666	(2,649,488)	68,845,263

FOR THE YEAR ENDED 31 MARCH 2022

(Amount in INR)

Particulars	Equity Share Capital	Reserves & Surplus	Items of other comprehensive income	Total equity
		Retained earnings	Foreign Currency translation reserve	
As on 01 April 2021	723,085	70,771,666	(2,649,488)	68,845,263
Net Profit for the period		(6,577,926)	-	(6,577,926)
Other comprehensive income		-	(2,526,487)	(2,526,487)
<b>Total Comprehensive Income</b>		<b>(6,577,926)</b>	<b>(2,526,487)</b>	<b>(9,104,413)</b>
As on 31 MARCH 2022	723,085	64,193,740	(5,175,975)	59,740,850

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For V.K.BESWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. 101083W

Digitally signed by Kunal  
Vinodkumar Beswal

KUNAL V. BESWAL  
[PARTNER]  
Membership Number - 131054  
PLACE : MUMBAI  
Date: 19.04.2022

For and on behalf of the Board of Directors of  
SHARDA HUNGARY Kft.

R. V. Bubna  
[Director]

Digitally signed by BUBNA RAMPRAKASH VILASRAI  
DN: c=IN, ou=BS&Harsodhna,  
2.5.4.20=620d4aa332ab13f1f662007fac96de5290c08c25f41a143e593aa  
914444c7, postalCode=400050, street=501, PLEASANT PARK, 24TH ROAD,  
BANDRA WEST,  
serialNumber=87a216501324105ac28556619882cc05b4a96ba692c8c34a  
d031e833a02bef60, o=Personal, em=BUBNA RAMPRAKASH VILASRAI,  
pseudonym=2bac740c3f00a6f702eb539d374ec69de

## SHARDA HUNGARY Kft.

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022**

(Amount in INR)

Particulars	Year ended 31-Mar-22	Year ended 31-Mar-21
<b>Cash flow from operating activities</b>		
Profit before tax for the year	(6,577,926)	16,135,283
<b>Profit before tax</b>	<b>(6,577,926)</b>	<b>16,135,283</b>
Adjustments to reconcile profit before tax to net cash flows	-	-
<b>Operating profit before working capital changes</b>	<b>(6,577,926)</b>	<b>16,135,283</b>
Movements in working capital :		
Decrease / (increase) in other current assets	(1,533,004)	254,238
Increase/ (decrease) in trade payables	(259,178,646)	479,330,077
Increase / (decrease) in other payables	-	-
Increase/ (decrease) in other current liabilities	(5,069,745)	7,488,093
Decrease / (increase) in trade receivables	228,903,218	(516,769,204)
Decrease / (increase) in inventories	3,803,772	7,584,002
<b>Cash generated from / (used in) operations</b>	<b>(39,652,331)</b>	<b>(5,977,511)</b>
Income taxes paid (net of refunds)	(2,080,392)	55,405
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>(41,732,723)</b>	<b>(5,922,106)</b>
<b>Cash flows from investing activities</b>		
<b>Net cash flow from/ (used in) investing activities (B)</b>	-	-
<b>Cash flows from financing activities</b>		
Proceeds / (repayment) of short term borrowings	-	-
<b>Net cash flow from/ (used in) in financing activities (C)</b>	-	-
<b>Exchange difference on translation of assets and liabilities (D)</b>	<b>(2,526,487)</b>	<b>1,592,455</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C+D)</b>	<b>(44,259,210)</b>	<b>(4,329,651)</b>
Cash and cash equivalents at the beginning of the year	49,753,173	54,082,825
<b>Cash and cash equivalents at the end of the year</b>	<b>5,493,962</b>	<b>49,753,173</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand		
With banks- on current account	5,493,962	49,753,173
- on deposit account		
<b>Total cash and cash equivalents (note 6)</b>	<b>5,493,962</b>	<b>49,753,173</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For V.K.BESWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. 101083W

For and on behalf of the Board of Directors of  
SHARDA HUNGARY Kft.

Digitally signed by Kunal  
Vinodkumar Beswal

Digitally signed by BUBNA RAMPRAKASH VILASRAI  
DN: c=IN, st=Maharashtra,  
2.5.4.20=620d4aa3332ab13ff1f6c62007fac96de5290e08e25f41a143e593a  
a91444c7, postalCode=400050, street=501, PLEASANT PARK, 24TH  
ROAD, BANDRA WEST  
serialNumber=87a216501324105ac28556619d82cc05b4a96ba692c8c34  
ad031c833a6bef60, o=Personal, cn=BUBNA RAMPRAKASH VILASRAI,  
pseudonym=zbac740c5f0dd782eb539d374ec698e

**KUNAL V. BESWAL**  
[PARTNER]  
Membership Number - 131054  
PLACE : MUMBAI  
Date: 19.04.2022

**R. V. Bubna**  
[Director]

## SHARDA HUNGARY KFT

### Notes to financial statements for the year ended March 31, 2022

#### 1 Corporate information

Sharda Hungary Kft (the company) was incorporated on 08.02.2012 in Hungary. The holding company is Sharda Cropchem Limited (Formerly known Sharda Worldwide Exports Pvt. Ltd.) from date of incorporation

#### 2 Significant Accounting Policies:

##### 2.1 Statement of Compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act 2013 ("the Act"), amendments thereto and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India ("SEBI"), as applicable.

##### 2.2. Basis of preparation and Presentation of Financial Statement

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- (i) Derivative financial instruments measured at fair value.
- (ii) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

##### 2.3 Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the parent company and the currency of the primary economic environment in which the parent company operates. All the figures have been rounded off to the nearest INR in lakhs, unless otherwise indicated.

##### 2.4 Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

###### Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the balance sheet date; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date.

Current assets include the current portion of non-current financial assets

All other assets are classified as non-current.

###### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in, the Company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the balance sheet date; or
- (d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

###### Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current / non - current classification of assets and liabilities.

## 2.5 Foreign currency translation

### **Transactions and balances**

Transactions in foreign currency are recorded applying the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year are translated at the closing rates prevailing on the Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction. Exchange differences arising as a result of the above are recognized as income or expenses in the statement of profit and loss. Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

## 2.6 Derivative financial instruments

### Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Fair value changes are recognized in the statement of profit and loss and are included in Foreign exchange (gain) / loss.

## 2.7 Revenue Recognition

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods. To recognise revenues, the Company applies the following five step approach:

- identify the contract with a customer,
- identify the performance obligations in the contract,
- determine the transaction price,
- allocate the transaction price to the performance obligations in the contract, and
- recognise revenues when a performance obligation is satisfied.

### Sale of goods

The Company recognised revenue from sale of goods measured upon satisfaction of performance obligation which is at a point in time when control is transferred to the customer which is usually on shipment / dispatch / delivery. Depending on the terms of the contract, which differs from contract to contract, the goods are sold on a reasonable credit term. As per the terms of the contract, consideration that is variable, according to Ind AS 115, is estimated at contract inception and updated thereafter at each reporting date or until crystallisation of the amount.

Revenue is measured based on the transaction price, which is the consideration, adjusted for trade discount, cash discount, volume discounts, rebates, scheme allowances, incentives and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

### Interest income

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

### Dividends

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

### Insurance claims

Insurance claims are accounted for on the basis of claims admitted and to the extent that there is no uncertainty in receiving the claims.

### Export Incentives

An export incentive (i.e. Duty Drawback, Merchandise Export Incentive Scheme and other schemes as per the Export Import Policy) is recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of export made, and there is no uncertainty to its receipt.

## 2.8 Taxation

### Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### Deferred tax

Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognized only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

## 2.9 Property, Plant and Equipment (“PPE”) and Depreciation Recognition and measurement

On adoption of Ind AS, the Company retained the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and used that as its deemed cost as permitted by Ind AS 101 ‘First-time Adoption of Indian Accounting Standards’.

PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price, including non-refundable duties and taxes net of any trade discounts and rebates. The cost of PPE includes taxes, duties, freight, interest on borrowings (borrowing cost) directly attributable to acquisition, construction or production of qualifying assets and other incidental expenses which are required to bring the asset in the condition for its intended use. Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and impairment losses, if any.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in the financial statements.

### (a) Depreciation and amortization

Depreciation is provided after impairment, if any, using the straight-line method as per the useful lives of the assets estimated by the management, or at rates prescribed under Schedule II of the Companies Act 2013. The Company has used the following estimated useful life to provide depreciation on its property, plant and equipment.

Asset class	Estimated useful life
Computers	3 years
Furniture and Fixtures	10 years
Office equipment	5 years
Motor cars	8 years
Leasehold improvements	6 years
Electrical installations	6 years

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

## 2.10 Intangible assets and amortisation

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortised over the useful economic life. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of respective intangible assets.

Asset class	Estimated useful life
Computer software	4 Years
Product Registration and Licences	5 Years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on derecognition are determined by comparing proceeds with carrying amount. These are included in profit or loss within other expenses.

### **Research and Development costs, Product Registration and Licences**

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- It is probable that future economic benefits will flow to the Company and the Company has control over the asset

Cost of Product Registration generally comprise of costs incurred towards creating product dossiers, fees paid to registration consultants, application fees to the ministries, data compensation costs, data call-in costs and fees for task-force membership.

In situations where consideration for data compensation is under negotiation and is pending finalisation of contractual agreements, cost is determined on a best estimate basis by the management, and revised to actual amounts on conclusion of agreements.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

### **2.11 Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal, and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

Intangible assets are tested for impairment annually as at the balance sheet date at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

### **2.12 Lease**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### **Company as a lessee:**

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property and equipment' and lease liabilities in the statement of financial position.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term. Such operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease.

### 2.13 Inventories

Inventories include raw materials, traded goods and finished goods. Inventory is valued at lower of cost or net realizable value. The comparison of cost and net realisable value is made on an item to item basis.

Cost comprises the purchase price, costs of conversion and other related costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis as per individual location which is done on specific identification of batches. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sales.

The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Obsolete and slow-moving items are valued at cost or estimated net realisable value, whichever is lower. Any write-down of inventories is recognised as an expense during the year

### 2.14 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Provision in respect of loss contingencies relating to claims litigation, assessment, fines, penalties etc. are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably.

### 2.15 Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation, A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

### 2.16 Employee benefit expenses

Employee benefits consist of contribution to provident fund, gratuity fund and compensated absences.

#### Post-employment benefit plans

##### *Defined Contribution plans*

Payments to defined contribution retirement benefit scheme for eligible employees in the form of provident fund are charged as an expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made.

##### *Defined benefit plans*

The Company operates defined benefit plans - gratuity fund.

The liability recognised in the balance sheet in respect of its defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds that have tenure approximating the tenures of the related liability.

The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability or asset. The net interest income / (expense) on the net defined benefit liability or asset is recognised in the Statement of Profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

##### Short-term employee benefit

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the other long-term employment benefits which is determined at each balance sheet date based on arithmetical calculation.

### 2.17 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **Financial assets**

##### ***Initial recognition and initial measurement***

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus transaction cost, in the case of a financial asset not at fair value through profit or loss.

##### ***Classification and subsequent measurement***

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments



#### **Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

#### **Debt instrument at FVTOCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent solely payments of principle & interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

#### **Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

#### **Equity investments**

Investments in subsidiaries and associates are carried at cost. All other equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

#### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- ☐ The rights to receive cash flows from the asset have expired, or
- ☐ The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - (a)☐ the Company has transferred substantially all the risks and rewards of the asset, or
  - (b)☐ the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### **Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial assets that are debt instruments and are measured as at FVTOCI
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 (referred to as 'contractual revenue receivables' in these financial statements)

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables and
- Other receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
- financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. the allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

#### **Financial liabilities**

##### ***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

##### ***Subsequent measurement***

The measurement of financial liabilities depends on their classification, as described below:

##### ***Financial liabilities at fair value through profit or loss***

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

##### ***Loans and borrowings***

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

##### ***Derecognition***

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

##### ***Offsetting of financial instruments***

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## **2.18 Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank Overdrafts as they are considered an integral part of the Company's cash management.

## 2.19 Dividend to Equity shareholders

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company.

## 2.20 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the company's earnings per share are the net profit for the year attributable to equity shareholders.

For the purpose of calculating diluted earnings per share, the net profit after tax for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares, except where the results would be anti-dilutive.

## 2.21 Segment reporting

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the

## 2A. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### (i) Critical Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

#### Contingences and commitments

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallising or are very difficult to quantify reliably, these are considered as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, these are not expected to have a materially adverse impact on our financial position or profitability.

### (ii) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

#### Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of several factors including future taxable income.

#### Defined benefit plans (gratuity benefits)

A liability in respect of defined benefit plans is recognised in the balance sheet and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service.

#### Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade and other receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade and other receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

#### Impairment of non- financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

#### Provision against obsolete and slow-moving inventories

The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Company estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. The Company carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The Company reassesses the estimation on each balance sheet date.

**Useful lives of property, plant and equipment**

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

**Impairment of investments in subsidiaries**

The Company reviews its carrying value of investments carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss.

**Liability for sales return**

In making judgment for liability for sales return, the management considered the detailed criteria for the recognition of revenue from the sale of goods set out in Ind AS 115 and in particular, whether the Company had transferred to the buyer the significant risk and rewards of ownership of the goods. Following the detailed quantification of the Company's liability towards sales return, the management is satisfied that significant risk and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate liability for sales return.

Accruals for estimated product returns, which are based on historical experience of actual sales returns and adjustment on account of current market scenario is considered by Company to be reliable estimate of future sales returns.

## 3 Inventories

Particulars	As at 31-Mar-22	As at 31-Mar-21
	INR	INR
Finished goods - Closing stock	308,151	4,111,923
<b>Total</b>	<b>308,151</b>	<b>4,111,923</b>

## 4 Trade Receivables

Particulars	As at 31-Mar-22	As at 31-Mar-21
	INR	INR
Trade Receivables ,unsecured considered good	692,373,925	921,277,142
<b>Total</b>	<b>692,373,925</b>	<b>921,277,142</b>

## 5 Cash &amp; cash equivalents

Particulars	As at 31-Mar-22	As at 31-Mar-21
	INR	INR
Balance with Bank	5,493,962	49,753,173
<b>Total</b>	<b>5,493,962</b>	<b>49,753,173</b>

## 6 Other Current Assets

Particulars	As at 31-Mar-22	As at 31-Mar-21
	INR	INR
Other current assets	12,660	-
Statutory dues receivable	1,520,344	-
<b>Total</b>	<b>1,533,004</b>	<b>-</b>

## 7 Equity share capital

Particulars	As at 31-Mar-22	As at 31-Mar-21
	INR	INR
<b>Authorised shares</b>		
1 Share of HUF 30,00,000 each	723,085	723,085
<b>Issued, Subscribed &amp; fully paid up shares</b>		
1 Share of HUF 30,00,000 each	723,085	723,085
<b>Total Issued, Subscribed &amp; fully paid up share capital</b>	<b>723,085</b>	<b>723,085</b>

## B Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	Equity Shares		Equity Shares	
	As at 31-Mar-22		As at 31-Mar-21	
	Number	INR	Number	INR
At the beginning of the period	1	723,085	1	723,085
Issued during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>1</b>	<b>723,085</b>	<b>1</b>	<b>723,085</b>

## C Details of shareholders holding more than 5% of shares in the company

Name of Shareholder	As at 31-Mar-22		As at 31-Mar-21	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sharda Cropchem Limited	1	100%	1	100%

## 8 Other equity

Particulars	As at 31-Mar-22	As at 31-Mar-21
	INR	INR
<b>Surplus/ Deficit</b>		
Balance as per the last financial statement	70,771,666	56,088,558
Add : Profit/(Loss) for the year	(6,577,926)	14,683,108
Closing Balance	<b>64,193,740</b>	<b>70,771,666</b>
<b>Foreign Currency Translation Reserve</b>		
Balance as per the last financial statement	(2,649,488)	(4,241,943)
Add : Changes for the period	(2,526,487)	1,592,455
Closing Balance	<b>(5,175,975)</b>	<b>(2,649,488)</b>
<b>Total</b>	<b>59,017,765</b>	<b>68,122,178</b>

## 9 Trade Payables

Particulars	As at 31-Mar-22	As at 31-Mar-21
	INR	INR
Trade payables - Related party	614,361,911	882,271,060
Trade payables - Others	8,730,503	
<b>Total</b>	<b>623,092,414</b>	<b>882,271,060</b>

## 10 Other Current liabilities

Particulars	As at 31-Mar-22	As at 31-Mar-21
	INR	INR
Statutory Dues Payable	8,306,456	561,940
VAT Payable	8,194,466	20,152,074
Advance received from customer	-	856,653
<b>Total</b>	<b>16,500,922</b>	<b>21,570,667</b>

## 11 Current tax liabilities

Particulars	As at 31-Mar-22	As at 31-Mar-21
	INR	INR
Provision for Corporate tax	374,856	2,455,248
<b>Total</b>	<b>374,856</b>	<b>2,455,248</b>

## 12 Revenue from Operations

Particulars	Year ended 31-Mar-22	Year ended 31-Mar-21
	INR	INR
Sales of Agro Chemicals	1,609,891,736	1,336,552,842
<b>Total</b>	<b>1,609,891,736</b>	<b>1,336,552,842</b>

## 13 Other income

Particulars	Year ended 31-Mar-22	Year ended 31-Mar-21
	INR	INR
Misc income	205	439
<b>Total</b>	<b>205</b>	<b>439</b>

## 14 Purchase of traded goods

Particulars	Year ended 31-Mar-22	Year ended 31-Mar-21
	INR	INR
Purchases of Agro Chemicals	1,479,493,861	1,218,380,153
<b>Total</b>	<b>1,479,493,861</b>	<b>1,218,380,153</b>

## 15 (Increase)/ decrease in inventories

Particulars	Year ended 31-Mar-22	Year ended 31-Mar-21
	INR	INR
Inventories at the beginning of the year		
Traded goods	4,111,923	11,695,925
Add / (Less): Exchange rate fluctuation on account of average rate transferred to currency translation reserve	(517)	296,133
Inventories at the end of the year		
Traded goods	308,151	4,111,923
Add / (Less): Exchange rate fluctuation on account of average rate transferred to currency translation reserve	12,987	(15,614)
<b>Total</b>	<b>3,790,268</b>	<b>7,895,749</b>

## 16 Finance costs

Particulars	Year ended 31-Mar-22	Year ended 31-Mar-21
	INR	INR
Interest on loan	14,867	7,603
<b>Total</b>	<b>14,867</b>	<b>7,603</b>

## 17 Other expenses

Particulars	Year ended 31-Mar-22	Year ended 31-Mar-21
	INR	INR
Accounting Charges	827,036	642,155
Bank charges	3,422,709	1,977,186
Warehouse Rent	445,445	301,526
Transport expenses	11,535,148	8,611,171
Office expenses	11,126,173	10,648,835
Miscellaneous expenses	2	478
Meeting expenses	243,866	1,810,451
Professional fees	196,477	21,375
Consultancy charges	66,717,575	63,723,810
Taxes and charges	33,340,190	3,039,099
Internet charges	1,211	-
Innovation contribution tax	238,370	-
Local Tax	2,947,641	1,974,875
Membership Fees	238,370	237,495
Advertisement expenses	927,534	166,743
Audit expense	351,834	346,866
<b>Total</b>	<b>132,559,581</b>	<b>93,502,065</b>

## 18 Income Taxes

Particulars	Year ended 31-Mar-22	Year ended 31-Mar-21
	INR	INR
Current income tax	-	1,452,175
<b>Total</b>	<b>-</b>	<b>1,452,175</b>

## 19 As per amendment in the Schedule III of the Companies Act 2013 , following are the additional notes to accounts

## i Trade receivables Ageing

Amount in INR

## As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment as on 31 Mar 2022					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables – considered good	692,373,925.00	-	-	-	-	692,373,925.00
ii) Undisputed Trade Receivables –considered doubtful	-	-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
iv) Disputed Trade Receivables considered good	-	-	-	-	-	-
v) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

## As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment as on 31 Mar 2021					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables – considered good	921,277,142	-	-	-	-	921,277,142
ii) Undisputed Trade Receivables –considered doubtful	-	-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
iv) Disputed Trade Receivables considered good	-	-	-	-	-	-
v) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

## ii Trade Payables Ageing

## As at March 31, 2022

Particulars	Outstanding for following periods from invoice date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) MSME	-	-	-	-	-
ii) Others	623,092,414	-	-	-	623,092,414
iii) Disputed dues MSME	-	-	-	-	-
iv) Disputed Dues Others	-	-	-	-	-

## As at March 31, 2021

Particulars	Outstanding for following periods from invoice date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) MSME	-	-	-	-	-
ii) Others	882,271,060	-	-	-	882,271,060
iii) Disputed dues MSME	-	-	-	-	-
iv) Disputed Dues Others	-	-	-	-	-



## iii Ratios

	As at 31-Mar-22	As at 31-Mar-21	Variance %	Explanation for Variance
a) Current Ratio (Current Assets/ Current Liabilities )	1.09	1.07	2%	
b) Debt Equity Ratio ( Short term Debt +Long term Debt + Other fxed payment ) / Shareholder's Equity	Not Applicable	Not Applicable	Not Applicable	
c) Debt Service coverage ratio ( Net operating Income / Debt Service )	Not Applicable	Not Applicable	Not Applicable	
d) Return on Equity Ratio ( Net Income / Shareholder's Equity )	(0.11)	0.21	-152%	Due to negative net profit in FY 2021-22 as compared to positive net profit in FY 2020-21
e) Inventory Turnover ratio (COGS / Average Inventory )	671.16	155.15	333%	Inventory has reduced by 93% in FY 2021-22 as compared to the previous year, hence the inventory turnover ratio has improved.
f) Trade Receivable Turnover ratio (Net Sales / Average Trade receivables )	2.00	2.02	-1%	
g) Trade Payables Turnover ratio (Net Purchases / Average Trade Payables )	1.97	1.91	3%	
h) Net capital Turnover Ratio (Total Sales / shareholder's Equity)	26.95	19.41	39%	Sales has increased by 20% in FY 2021-22 as compared to previous year hence, the Net capital Turnover ratio has improved
i) Net Profit ratio ( Net Profit / Net Sales )	(0.00)	0.01	-137%	Due to negative net profit in FY 2021-22, the net profit ratio has decreased.
j) Return on capital employed ( EBIT / capital Employed)	(0.11)	0.23	-147%	Due to higher expenses EBIT was negative in FY 2021-22 as compared to positive EBIT in FY 2020-21
k) Return on Investment (( Current value of investment -Cost of investment) /Cost of investment )	Not Applicable	Not Applicable	Not Applicable	

## 20 Fair Value Measurements

	31/Mar/2022			31/Mar/2021		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>						
Trade Receivables	-	-	692,373,925			921,277,142.00
Cash and cash equivalents	-	-	5,493,962	-	-	49,753,173
Loans	-	-	-	-	-	-
Other current financial assets	-	-	1,533,004			-
<b>Total Financial Assets</b>	-	-	<b>699,400,891</b>	-	-	<b>971,030,315</b>
<b>Financial Liabilities</b>						
Trade Payables	-	-	623,092,414	-	-	882,271,060
Other Financial Liabilities	-	-	16,500,922	-	-	21,570,667
<b>Total Financial liabilities</b>	-	-	<b>639,593,336</b>	-	-	<b>903,841,727</b>

## 21 Disclosures required to be given under IND AS 115 Revenue from Contracts with Customers

- (A) The Company is engaged in the business of dealing in agrochemical products in Hungary. Revenue from sale of goods is recognized when control of the goods have been passed to the buyer. Revenue from the sale of goods is measured at amount of consideration which an entity expects to be entitled in exchange for transferring promised goods to the customer, net of returns and allowances, trade discounts, volume rebates and cash discounts. The Company operates a loyalty programme where customers accumulate points for purchases made. Revenue related to the award points is deferred and recognised when the points are redeemed. The amount of revenue is based on the number of points redeemed relative to the total number expected to be redeemed.

## (B) Reconciliation of revenue recognised from Contract liability:

(Amt in INR)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening Contract liability	-	-
Less: Recognised as revenue during the year	-	-
Add: Addition to contract liability during the year	-	856,653.00
Add: Other Adjustments	-	-
Closing Contract liability	-	-

## (C) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

Particulars	(Amt in INR)	
	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from contract with customer as per Contract price	1,624,484,927	1,359,314,672
Less: Discounts and incentives	-	1,083,709
Less:- Sales Returns /Credits / Reversals	14,593,191	21,678,122
Less:- Any other adjustments		
Revenue from contract with customer as per statement of profit and loss	1,609,891,736	1,336,552,842

## D Disaggregation of revenue from contract with customers

Year ended March 31, 2021

(Amt in INR)

Particular	Revenue from contracts with customers (IndAS 115)	Revenue from operations from other than customers	Total Revenue from Operations	Other Income	Total Income
Agrochemicals - Europe	1,609,891,736	-	1,609,891,736	-	1,609,891,736
Other Income - Unallocated		-		205	205
<b>Total</b>	<b>1,609,891,736</b>	<b>-</b>	<b>1,609,891,736</b>	<b>205</b>	<b>1,609,891,941</b>

Year ended March 31, 2020

(Amt in INR)

Particular	Revenue from contracts with customers (IndAS 115)	Revenue from operations from other than customers	Total Revenue from Operations	Other Income	Total Income
Agrochemicals - Europe	1,336,552,842	-	1,336,552,842	-	1,336,552,842
Other Income - Unallocated		-		439	439
<b>Total</b>	<b>1,336,552,842</b>	<b>-</b>	<b>1,336,552,842</b>	<b>439</b>	<b>1,336,553,281</b>

## 22 Earnings per share (EPS)

Particulars	Year ended 31-Mar-22	Year ended 31-Mar-21
	INR	INR
<b>Basic and diluted earning per share:</b>		
Profit after taxation as per statement of profit and loss	(6,577,926)	14,683,108
Weighted average number of equity shares outstanding	1	1
Basic and diluted earning per share	(6,577,926)	14,683,108
Nominal Value of equity share (HUF)	1.00	1.00

## 23 Contingent liabilities and Commitments

Particulars	As at 31-Mar-21	As at 31-Mar-21
	INR	INR
Contngent liabilities	NIL	NIL
Commitments	NIL	NIL

## 24 Segment reporting

The Company operates in a single and related business segment viz. Agro Chemicals . Therefore, the information required by the IND AS 108 on segment reporting is not applicable to the Company.

## 25 Related Party Disclosures

## (a) Nature of relationship:

Particulars	Relationship
(i) Parent company	Sharda Cropchem Limited

## (a) Related parties with whom transactions have taken place during the Year:

Nature of relationship	Name of Party
(i) Parent company	Sharda Cropchem Ltd.

## Related party transactions:

The following table provides the total amount of transactions that have been entered into with related parties.

**- Transactions with Related party**

Particulars	Year ended 31-Mar-22	Year ended 31-Mar-21
<b>Unsecured loan taken:</b>		
Sharda Internaional DMCC	21,195,717	-
Sharda Cropchem Espana L	23,003,879	4,277,855
<b>Interest on unsecured loan:</b>		
Sharda Internaional DMCC	12,356	-
Sharda Cropchem Espana L	2,512	7,603
<b>Unsecured loan</b>		
Sharda Internaional DMCC	21,195,717	-
Sharda Cropchem Espana L	23,003,879	4,277,855
<b>Purchase of traded goods:</b>		
Sharda Cropchem Limited	1,479,493,861	1,218,380,153

Outstanding balances	Year ended 31-Mar-22	Year ended 31-Mar-21
<b>Trade payables:</b>		
Sharda Cropchem Limited	614,361,911	873,665,601

**26 Previous year figures**

The previous year figures have been regrouped, rearranged wherever necessary to compare this year figures.

**As per our report of even date**

**For V.K.BESWAL & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**Firm Registration No. 101083W**

Digitally signed by Kunal  
Vinodkumar Beswal

**KUNAL V. BESWAL**  
**[PARTNER]**  
**Membership Number - 131054**  
**PLACE : MUMBAI**  
**Date: 19.04.2022**

**For and on behalf of the Board of Directors of**  
**SHARDA HUNGARY Kft.**

Digitally signed by R. V. Bubna  
DN: cn=Kunal V. Beswal, o=V.K. Beswal & Associates, email=kv@vksa.com, c=IN, email=vksa@vksa.com, ou=V.K. Beswal & Associates

**R. V. Bubna**  
**[Director]**